



Overview of Legislative Actions 2004 General Assembly

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2004 Session of the General Assembly

- 21 bills were passed by the General Assembly and signed by Governor Warner that have an effect on the VRS



General Provisions and Governance

- House Bill 16
 - Deletes an obsolete section of Title 51.1 that was never enacted because of a failure to obtain a favorable ruling from the IRS.



General Provisions and Governance

- House Bill 200
 - Technical amendment to §51.1-124.22 to clarify that overpayments from any VRS benefits, programs or health insurance credits may be deducted from any life insurance proceeds that are payable to the member's beneficiary or survivor.
 - This was a VRS Board requested bill.



General Provisions and Governance

- House Bill 201
 - Technical amendment to §51.1-164 to change the amount for the maximum probate estate from the current \$10,000 to the maximum allowed in § 64.1-132.2.
 - This was a VRS Board requested bill.



General Provisions and Governance

- House Joint Resolution 34
 - Establishes a joint subcommittee to study the benefit structure and funding of retirement plans administered by the VRS as well as line of duty benefits for public safety officers.
 - VRS is to provide technical support to the joint subcommittee.



General Provisions and Governance

- Senate Bill 541
 - Technical amendment to §51.1-139 to clarify the process and procedure for employer terminations when the employer is in default and to conform the Retirement Act to IRC distribution rules.
 - This was a VRS Board requested bill.



General Provisions and Governance

- Senate Bill 599
 - Technical amendments to Chapter 10 of Title 51.1 to conform the Retirement Act to revised Federal standards for the electronic delivery of certain plan documents or disclosures.
 - This was a VRS Board requested bill.



Judicial Retirement System

- Senate Bill 163
 - Technical amendment to §51.1-303 (C) changing an incorrect reference to the seventy-five percent of average final compensation benefit limit for judges to a correct amount of seventy-eight percent.
 - This was a VRS Board requested bill.



Law Enforcement Officers

- House Bill 334 (Pollard)
 - Removes the vesting requirement under VaLORS for members on October 1, 1999 who were previously vested under another retirement plan administered by the VRS.

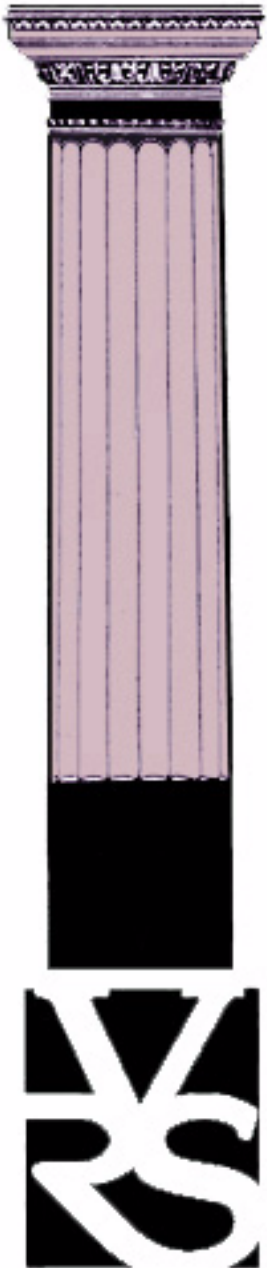


Law Enforcement Officers

- Senate Bill 311 (Hawkins)
 - Allows service rendered prior to October 1, 1999, in a position that is now a VaLORS position to be considered hazardous duty for purposes of the law enforcement benefit.

Group Life Insurance

- House Bill 199
 - Technical amendment to §51.1-505(C) to clarify language introduced in 2003 that a retiree returning to work or an individual who is contemplating retirement but is asked to remain with his current employer in a lower paying position will be entitled to a life insurance benefit based on his highest annual salary.
 - The retiree or member must have at least 20 years of service.
 - This was a VRS Board requested bill.





Deferred Compensation Plans

- House Bill 551
 - Amends §51.1-601(A) to allow political subdivisions participating in the Deferred Compensation Plan pursuant to § 51.1-603.1 to collect the administrative fee charged by the VRS from employees participating in the plan.
 - This was a VRS Board requested bill.



Optional Retirement Plans

- House Bill 576
 - Allows school divisions to contribute to a supplemental defined contribution account for teachers in critical shortage areas and for “turnaround specialists” in schools not meeting minimum standards.



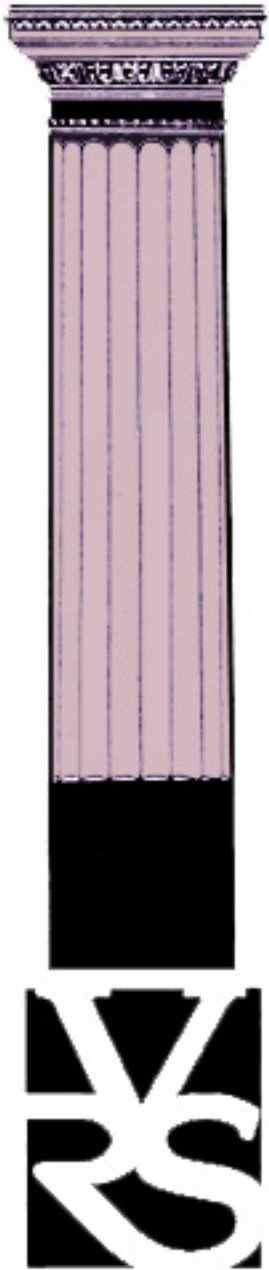
Optional Retirement Plans

- Senate Bill 540
 - Technical amendment to §51.1-126.5 (A) and (F) correcting a reference to an incorrect subsection of the Code.
 - Modifies language to allow a purchase of service credit up to the amount of time an individual actually worked in a position covered under the Optional Retirement Plan for Political Appointees (ORPPA).
 - Service may be purchased by the member at actuarial cost if the ORPPA account balance is less than the amount needed to purchase the entire period of service.
 - This was a VRS Board requested bill.



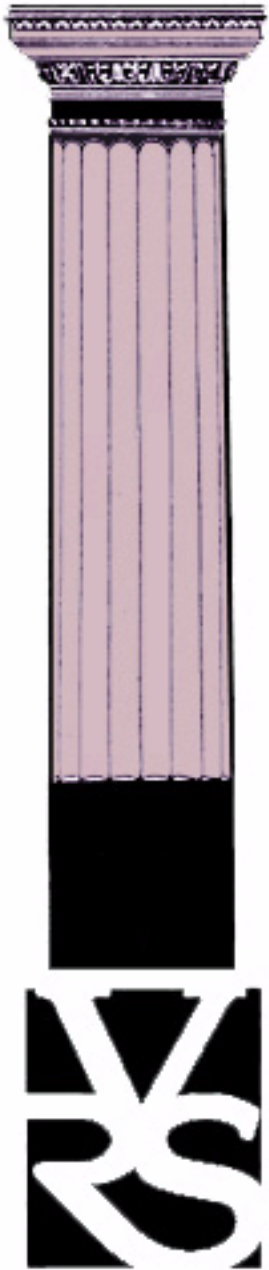
Virginia Sickness and Disability Program

- House Bill 699
 - Amends §51.1-1112 (F) to allow the Board or its designee to determine whether an individual must apply for Social Security benefits to be eligible for long-term disability benefits.
 - This was a VRS Board requested bill.



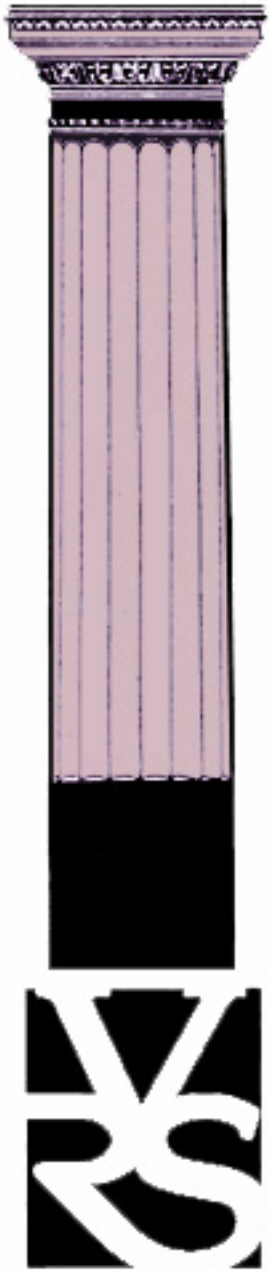
Virginia Sickness and Disability Program (VSDP)

- House Bill 700
 - Amends §51.1-1103 to add language that makes an employee ineligible to participate in the VSDP when the employee is placed on any nonpay status, including leave without pay, if the nonpay status is due to suspension pending investigation or outcome of court or disciplinary action.
 - This was a VRS Board requested bill.



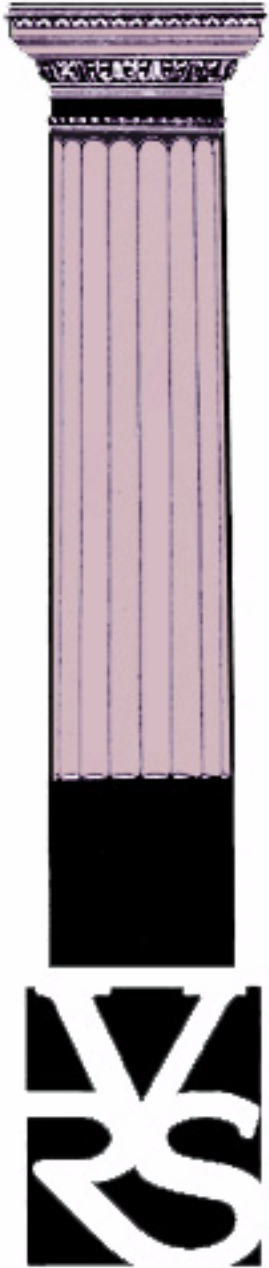
Virginia Sickness and Disability Program (VSDP)

- House Bill 701
 - Amends §§51.1-1113 and 51.1-1124 to change the current language requiring an individual returning from long-term disability to return to “his” position and replaces it with “a” position.
 - The intent of the VSDP is to return the individual to gainful employment, not necessarily to the position he/she held prior to long-term disability.
 - This was a VRS Board requested bill.



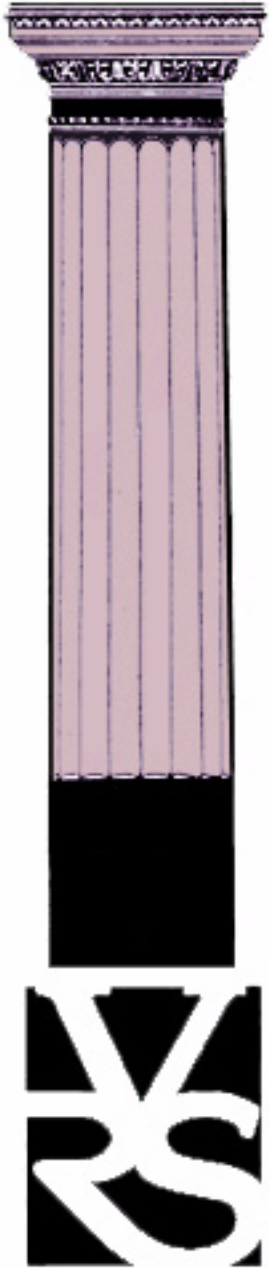
Virginia Sickness and Disability Program (VSDP)

- House Bill 702
 - Technical amendments to §§51.1-1117(B), 51.1-1123(C) and 51.1-1133(C) to replace the reference to the “Virginia Retirement System actuary” with “program actuary” for the determination of the retirement benefit for an individual who is participating in the disability program.
 - This was a VRS Board requested bill.



Virginia Sickness and Disability Program (VSDP)

- House Bill 703
 - Amends §51.1-1114(E) to allow the VRS to recoup overpayments of disability benefits from a member's survivors and beneficiaries. Current language allows the VRS to recoup any overpayments solely from payments to the member.
 - This was a VRS Board requested bill.



Virginia Sickness and Disability Program (VSDP)

- Senate Bill 628
 - Precludes short term disability for elective surgery during the first six months of the probationary period without approval by the employer and coordination of the required leave of absence between the employee and employer.



Health Insurance Credit

- House Bill 163
 - Amends §51.1-1400 to clarify that certain groups of retired employees in optional and alternative retirement plans are eligible for the health insurance credit. This was a VRS Board requested bill.



Health Insurance Credit

- House Bill 356
 - Amends § 51.1-1401 to clarify that retired Public School Superintendents in optional retirement plans are eligible for the health insurance credit. This was a VRS Board requested bill.



Implementation of Legislation

- Implementation Plans have been developed by the Legislative Review and Implementation Team
- Teams are currently working to have legislative changes implemented by the effective date, July 1, 2004.

Questions

